

India objects to EU proposal to ban export of scrap to non-OECD countries or levy duty

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India has raised objections to a European Union (EU) proposal to levy duty on export of (ferrous) scrap from member nations or ban export of scrap to non-OECD countries.

At a recent meeting of OECD (The Organisation for Economic Co-operation and Development) member countries, Indian officials, including representatives of the Steel Ministry, pointed out that such proposals are "a restrictive trade practice," those in the know told *businessline*.

"At the OECD meeting held in March-end, Indian officials raised objections to the levy of export duty on ferrous scrap or ban them from non-OECD member countries. It was pointed out that

such a move is trade restrictive specially for developing countries like us which have been trying to buy/import scrap and use it for steel making and reduce green-house gas emissions," the official in the know said.

Globally 73 countries have already banned or restricted scrap exports already. The Waste Shipment Management policy, currently under discussion, in-principle mentions, exports of "green-listed" waste are prohibited. Such exports may, however, still be allowed for non-OECD countries, if certain conditions are fulfilled.

Non-OECD countries still willing to receive waste imports from the EU must notify the European Commission and demonstrate their ability to treat this waste in an environmentally sustainable manner. A list of coun-

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tries authorised to receive green-listed waste will be drawn up by the Commission based on further assessment of country applications.

Waste exports from the EU valued, was around 35.1 million tonnes (this includes plastic waste) as on 2023, while recycled steel exports (scrap) were reportedly 18.5 mt, up 7 per cent y-o-y, as per Eurostat, Davis Index. Turkey is the largest buyer. For steel scrap, the EU exports were around 20 per cent of scrap generated in the EU,

due to insufficient uptake of steel scrap by European steel mills.

INDIAN CONCERNS

India will likely continue to face a shortage of domestic scrap, as its per capita consumption of steel is yet to pick up to global levels, a Ministry official said. This would mean reliance on imports.

Being the second largest importer of steel scrap globally, India consumed around 9.9 mt in FY23. At Alang, the largest ship recycling yard in Asia, annual processing capacity is around 4.5 mt.

In 2024, nearly 2.3 mt of scrap came from Europe, up 64 per cent y-o-y. Import duty on aluminium scrap is 2.5 per cent.

There is a concern with EU and China tightening trade norms the official said.